(Draft Minutes)

TOWN OF ROCKY HILL FAIR RENT COMMISSION SPECIAL MEETING OF MARCH 9, 2015

I. CALL TO ORDER

Chairperson Stiglich called the Monday, March 9, 2014 meeting to order at 6:07 p.m. in the Elevator Meeting Room of the Rocky Hill Town Hall, 761 Old Main Street, Rocky Hill, Connecticut.

Present: Marty Stiglich, Chairperson

Geraldine Yoo, Commissioner Lee Shippy, Commissioner

Also: Melissa Hicks, Director of Human Services

Town Attorney, Morris Borea

Eileen A. Knapp, Recording Secretary

Absent: Kevin Clements. Vice Chairman

II. APPROVAL OF MINUTES

A. Fair Rent Commission Meeting – 1/14/15

A MOTION was made by Commissioner Yoo to approve the minutes of the January 14, 2015 meeting as presented. Seconded by Commissioner Shippy. All were in favor, MOTION CARRIED UNANIMOUSLY.

III. NEW BUSINESS

A. Redact Motion approving minutes of 12/3/14 with corrected date and approve as corrected.

Commissioner Shippy made Redact Motion approving minutes of 12/3/14 with corrected date and approve as corrected. Seconded by Commissioner Yoo. All were in favor, MOTION CARRIED UNANIMOUSLY.

IV. CASE #2014-01

There was a meeting on this Case in 2014, but since then a new member joined the Commission so Chairman Stiglich asked the Claimant to restate her concerns. Mrs. Namita Kasera said she has lived at Century Hills for 5 years and when she moved in she asked how much the rent increases each month. She was told the increase was about 3% and there would be time when there was no increase. There have been increases every year of about \$30-\$50, which she feels is fair. But this year the increase was almost 15% without any enhancements to the interior of her apartment. Mrs.

Kasera said she spoke to Carmen, who was in charge at that time and Carmen agreed that this was a very high increase and she would look into it. Carmen said she thought an increase of about \$65 would be fair. After checking, Carmen said all she could do is reduce the increase by \$20. Mrs. Kasera said she then spoke to the Manager of Century Hills and was told there was nothing they could do.

The apartment has two bedrooms and two baths. Mrs. Kasera lives there with her husband and young son. Heat and electricity are not included in the rent. Mrs. Kasera's husband said at the same time their rent was increased 15%, a new tenant moved and told them their rent is \$1,050 for a similar size apartment.

Mrs. Kasera noted that due to all the construction work being done there has been a lot of chaos over the past six months. Walls are being painted, carpets are being torn up, elevators are breaking down, etc. Also for the past 5 or 6 months the clubhouse has been closed. It was supposed to open in January and it is still not open. Mrs. Kasera also said that the response to maintenance problems has deteriorated as well as the efficiency of the snow removal. Atty. Ralph Keane, representing Century Hills said the owners are in the middle of a 2.9 million dollar upgrade that is expected to last a few years. He handed out a list of all the items being rehabilitated.

Chairperson Stiglich asked if there were any other problems with the interior of the apartment. Mrs. Kasera said they are waiting on a shower part that is on order. Right now the master bath has no hot water.

Atty. Keane asked when the new tenant who got a lease of \$1050 moved in. Mrs. Kasera said they moved into their apartment in April of 2014. Atty. Keane asked if Mrs. Kasera had the e-mail she referenced where Carmen stated that a \$65/month increase should be acceptable. Mrs. Kasera showed Atty. Keane the letter and passed it around the Commission. Atty. Keane said in the email it states that Carmen has no control over the amount of the increase. She did not make a promise that the increase would be \$65/month.

Atty. Keane said the statute that applies to this matter is Connecticut State Statute 7-148c, Considerations in Determining Rental Charge to be Excessive, and reads as follows:

In determining whether a rental charge or a proposed increase in a rental charge is so excessive, with due regard to all the circumstances, as to be harsh and unconscionable, a fair rent commission shall consider such of the following circumstances as are applicable to the type of accommodation: (1) The rents charged for the same number of rooms in other housing accommodations in the same and in other areas of the municipality; (2) the sanitary conditions existing in the housing accommodations in question; (3) the number of bathtubs or showers, flush water closets, kitchen sinks and lavatory basins available to the occupants thereof; (4) services, furniture, furnishings and equipment supplied therein; (5) the size and number of bedrooms contained therein; (6) repairs necessary to make such accommodations reasonably livable for the occupants accommodated therein; (7) the amount of taxes and overhead expenses, including debt service, thereof; (8) whether the accommodations are in compliance with the ordinances of the municipality and the general statutes relating to health

and safety; (9) the income of the petitioner and the availability of accommodations; (10) the availability of utilities; (11) damages done to the premises by the tenant, caused by other than ordinary wear and tear; (12) the amount and frequency of increases in rental charges; (13) whether, and the extent to which, the income from an increase in rental charges has been or will be reinvested in improvements to the accommodations.

Atty. Keane said this increase is not "harsh and unconscionable". He provided a chart showing that other renewals in Century Hills for the same size unit, which were a little bit less, or almost the same as what Mrs. Kasera's renewal was. Other renewals in the same month as Mrs. Kasera's were more than what she is being charged. There has been a lot of renovation to the common areas of Century Hills, which is a benefit to all the tenants. Atty. Keane also submitted a market survey that was done in July of 2014, showing rental prices for 2 bedroom units in other developments in Rocky Hill. They were close to or more than what Mrs. Kasera was charged. He addressed the 13 factors that are to be considered according to CGS 7-148c. They have had a very hard winter and snow removal and broken pipes have been a problem but Management has done their best to address these issues as quickly as possible. Do to all the upgrades they are doing there will be inconveniences but they are doing their best to wrap it up as quickly as they can. The petitioner has not claimed that there are income issues, or that they cannot afford the increase, just that they don't think it is fair. The amount and frequency of rental increases has followed the going rate for this community. The 13th factor is "whether and to the extent which the income from a rental increase has been or will be reinvested in improvements to the accommodations. Atty. Keane said this is clearly the case as evidenced by the \$2.9 million dollar investment project they are in the middle of. He pointed out that the occupancy at Century Hills is about 93.4% and that is because their rents are competitive. He said they don't believe this increase could be considered "harsh and unconscionable".

Mrs. Kasera said when they moved in they asked what a typical increase might be and they were told that it is usually 3-5%, and sometimes there is no increase. The increase this renewal was 15%.

Atty. Keane asked that the Commission consider only the time frames that are involved in this case at the time of the renewal. Owners may make statements about what they think they might do, but that doesn't mean it is a binding contract.

(Mr. & Mrs. Kasera, Atty. Keane and the Century Hills Property Manager left the meeting.)

The Commissioners agreed that the new lease amount seemed reasonable compared to other rents at Century Hills and similar rentals in Rocky Hill.

A MOTION was made by Commissioner Yoo to deny the appeal in Case #2014-01. Seconded by Commissioner Shippy. All were in favor, MOTION CARRIED UNANIMOUSLY.

Mrs. Barbara Steele said she spoke with the landlord, Mrs. Hepburn in December of 2014 and was told that the rent would be going up \$50, making it \$950/month. On January 1 2015 she received a letter saying the rent was actually going up to \$1000/month. Mrs. Steele said she is not responsible for condo fees or the landlords insurance, or maintenance of the property. She said she agreed to pay the \$1,000 rent, but she said the landlord stated that she was going to subsidize an additional \$350 from the Tenant's security deposit. Mrs. Steele said she paid for and owns some of the appliances that are in the apartment but Mrs. Hepburn said if she were to move out she would have to leave the appliances. Mrs. Steele said she has all the receipts from the purchase of these appliances. She said she replaced the countertops herself but other than that, there have been no renovations to the unit in more than 12 years. The gas heater and furnace have been replaced. She said she is not opposed to paying the \$1,000 rent but she doesn't think an additional \$350 should be deducted from her security deposit. Mrs. Steele said she moved in in 1992 and her rent remained \$850/month until six years ago when it increased to \$900.

Mrs. Hepburn said the rent is going up to \$1000/month. She believes that Mrs. Steele incorrectly thinks she is going to take an additional \$350/month out of her security deposit. That is not the case. Mrs. Hepburn presented the letter that was sent informing the tenant of the increase in rent to \$1,000. The letter states that the going rate for renting this property is \$1,350 so the owner is basically "subsidizing" the additional \$350/month out of her own pocket. The Owner also submitted a spreadsheet showing the amount of interest earned on the original security deposit given 22 years ago, which is \$365.95. Over the 22 year period the rent has always been below market value. The spreadsheet included a column showing how much income she has lost over the last 22 years by not charging Mrs. Steele fair market value for this apartment, which totals \$62,000. When Mrs. Steele's husband passed away, Mrs. Hepburn said she allowed her son to move in, not knowing that he was moving in with 3 children a dog and a cat. When that son moved out; her other son moved in and continues to live there along with one dog. She said she refused to upgrade this apartment because it has been abused so badly over the last 22 years. Over the past 22 years they have increased the rent a total of \$150, which works out to \$7.00 per year.

A MOTION was made by Commissioner Yoo to deny the complaint in Case #2015-01. Seconded by Commissioner Shippy. All were in favor, MOTION CARRIED UNANIMOUSLY.

VI. ADJOURNMENT

A MOTION was made by Commissioner Yoo to adjourn the meeting at 7:30 p.m. Seconded by Commissioner Shippy. All were in favor, MOTION CARRIED UNANIMOUSLY.

Respectfully submitted,

Eileen A. Knapp Recording Secretary